

## **Recommendations**

- 1. Enact a definition of premium affordability which assures that auto insurance rates are available to Michigan consumers at fair and reasonable rates.**
- 2. Require insurance companies to obtain the Insurance Commissioner's approval, prior to raising their rates.**
- 3. Give consumers who have purchased collision insurance, the right to recover actual repair costs to the vehicle, from the at-fault party in an accident.**
- 4. Strengthen the Insurance Commissioner's authority to award refunds to consumers, upon a finding that a company has overcharged policyholders.**
- 5. Prohibit the practice of "Data Mining," where insurers sell policyholders' personal information to third parties or "marketing partners," often without the policyholder's knowledge or consent.**
- 6. Close the loopholes which allow insurers to use subjective criteria such as credit scores, occupation, and level of education, by:**
  - (a) Requiring that rates be based on the objective criteria in the Insurance Code, such as miles driven, type of vehicle, and driving record, and**
  - (b) Designating the use of a driver's credit score, occupation, and level of education, as an Unfair Trade Practice under the Insurance Code.**
- 7. On a pilot basis, consider the option of offering a "Low Cost Auto Insurance Policy," while continuing to provide full health care benefits to consumers.**
- 8. Prohibit Insurance Commissioners from working for insurance companies for a period of at least 2 years after leaving office.**

**9. Enact tougher penalties for companies who raise a policyholder's rates, or cancel a policyholder's policy, after a claim is submitted, when the policyholder is not at-fault. Routine "Market Conduct Examinations" should be initiated to determine industry compliance with this policy. Furthermore, there should be education to inform consumers that this practice is illegal.**

**10. Give consumers reasonable oversight authority over company rating practices by:**

- (a) Requiring companies to prominently publish proposed rate increases on OFIR's website, describing the amount of the proposed increase, in plainly-worded language, understandable to the average consumer, and**
- (b) Allowing consumers to challenge proposed rate increases, before they go into effect.**